

Internal Revenue Service
District Director

Department of the Treasury

Person to Contact:

Telephone Number:

Date:

MAY 15 1990

Dear Sir or Madam:

We have considered your application for recognition of exemption from Federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986.

The information submitted indicates that you were formed on [REDACTED], for the purpose of promoting the game of football by providing qualified football officials to officiate the football games of schools and colleges that are not members of another organized conference. During [REDACTED] to [REDACTED], the organization assigned football officials to [REDACTED] and charged this school a fee at the end of the football season, for providing officials. Upon receipt of payment for services, distribution of payment was made to the officials assigned to these games. The organization discontinued the billing of services at the end of [REDACTED] football season. The organization indicated that all other schools paid the assigned officials directly for officiating football games. The organization activities only consist of furnishing officials on as needed basis for home games of the schools represented. There are no other activities conducted by this organization. The income of the organization is derived primarily from registration fees and assignment fees from members per game assigned. These fees are presently used for administrative expenses. Meetings are held on an informal basis and no minutes are maintained.

Section 501(c)(6) of the Code provides for the exemption from Federal income tax of business leagues not organized for profit, no part of the earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(6)-1 of the Income Tax Regulations provides, in relevant part, that a business league is an association of persons having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit. The activities of the organization must be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons.

Revenue Ruling 61-170, 1961-2 C.B. 112 describes an association composed of professional private duty nurses and practical nurses which supports and operated a nurses registry primarily to afford greater employment opportunities for members, is not entitled to exemption from Federal income tax under section 501(a) of the Internal Revenue Code of 1954 as an organization described in section 501(c)(3) of the Code. Furthermore, the association is not entitled to exemption as a business league described in section 501(c)(6) of the Code since its primary purpose is the operation of a regular business of a kind ordinarily carried on for profit and it is engaged in rendering particular services for individual persons rather than promoting the general business conditions of the nursing profession.

Revenue Ruling 80-287, 1980-2 C.B. 185 describes a non-profit lawyer referral service which arranges at the request of any member of the public an initial half-hour appointment for a nominal charge with a lawyer whose name is on an approved list maintained by the organization. Any further contact between the lawyer and the client is arranged without the involvement of the organization. The referral service is not exempt under section 501(c)(3) of the Code, but is exempt as a business league under section 501(c)(6).

Based on the information provided during your application processing we conclude that the organization is primarily engaged in the performance of personal service by operating an employment service principally for the benefit of its members. This activity constitutes the performance of particular services for members and is not directed to the improvement of general business conditions within the meaning of the regulations.

Accordingly, we conclude that you are not described within section 501(c)(6) of the Code. Therefore, you do not qualify for exemption from Federal income tax under that subsection. Further, the organization fails to qualify for exemption under any other paragraph of Internal Revenue Code 501(c). Thus, you are required to file Federal income tax returns.

You have the right to protest this ruling if you believe that it is incorrect. To protest this ruling you should submit a statement of your views with a full explanation of your reasoning. This statement, signed by one of your officers, must be submitted within 30 days from the date of this letter. You also have a right to a conference in this office after your statement is submitted. You must request the conference, if you want one, when you file your protest statement. If you are to be represented by someone who is not one of your officers, that person will need to file a proper power of attorney and otherwise qualify under our Conference and Practice Procedures.

If you do not protest this ruling within 30 days, this ruling will become final.

Sincerely yours,

District Director

Enclosure: Publication 892

- 3 -

Code	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer	Reviewer
Surname							
Date	4/10/90	4/10/90	455-149				